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**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEVADA**

In re

CASH CLOUD, INC.,  
dba COIN CLOUD,

Debtor.

Case No. BK-23-10423-mkn

Chapter 11

**SUPPLEMENTAL VERIFIED  
STATEMENT OF  
PAUL HUYGENS IN SUPPORT  
OF EMERGENCY FIRST DAY  
APPLICATION FOR ORDER  
AUTHORIZING RETENTION AND  
EMPLOYMENT OF PROVINCE LLC  
AS DEBTOR'S FINANCIAL ADVISOR,  
EFFECTIVE AS OF THE PETITION  
DATE**

Hearing Date: February 15, 2023

Hearing Time: 10:30 a.m.

FOX ROTHSCHILD LLP  
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Paul Huygens, a principal at Province, LLC, submits the following statement (the “Verified Statement”) in accordance with sections 327(a), 328, 329, 1107 and 1108 of the Bankruptcy Code,<sup>1</sup> Bankruptcy Rules 2014(a), 2016 and 5002 and Local Rule 2014, and being duly sworn, deposes and declares under the penalty of perjury:

1. I am over the age of 18, am mentally competent, have personal knowledge of the facts in this matter, except where stated as based upon information and belief, and if called upon to testify, could and would do so.

2. I am a principal of Province, which maintains offices at, among other locations: 2360 Corporate Circle, Ste. 340, Henderson, Nevada, 89074.

3. I make this supplemental statement in further support of the *Application for Order Authorizing Retention and Employment of Province LLC as Debtor’s Financial Advisor, Effective as of the Petition Date* (the “Application” [ECF No. 15]), filed by Cash Cloud, Inc. (“Debtor”), debtor and debtor in possession in the above-referenced chapter 11 bankruptcy case (the “Chapter 11 Case”) and in order to address certain issues raised in the *United States Trustee’s Omnibus Opposition and Reservation of Rights to Debtor’s Emergency First Day Applications for Orders Authorizing the Retention and Employment of Fox Rothschild, LLP as Debtor’s General Bankruptcy Counsel and Province, LLC as Debtor’s Financial Advisor, Effective as of the Petition Date* (the “UST Opposition” [ECF No. 76]).

4. Pursuant to Bankruptcy Rules 2014 and 9034, a copy of this Verified Statement will be contemporaneously transmitted to the Office of the United States Trustee (the “UST”) with this filing. Fed. R. Bankr. P. 2014, 9034; Guidelines, § 2.1.

5. In paragraph 25 of the UST Opposition, the UST states that while Province made certain disclosures pursuant to Bankruptcy Rule 2014(a) in support of the Application, it argues that the nature of Province’s disclosed connections is “somewhat unclear” and that deferral of the Application should occur until such time as Province supplements its disclosed connections with additional information regarding the nature of such connections.

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

1           6. In response thereto, Province hereby submits further supplementation relative to each  
2 of its disclosed connections in the attached Exhibit 1 incorporated herein by reference.

3           7. Additionally, as to Party in Interest Cox Business, a Cox Communications  
4 affiliate, Cox Corporate Services, Inc., is an equity owner with Province Esports, LLC in an esports  
5 entity called ATL Esports, LLC based out of Atlanta, GA that owns esports teams in two Activision  
6 / Blizzard esports leagues (Atlanta Reign & Atlanta Faze). Province Esports, LLC is owned by  
7 numerous individuals and entities that indirectly includes three of the equity owners of Province,  
8 LLC; however, Province, LLC owns no interest in and has no control over Province Esports, LLC.

9           8. In paragraph 38 of the UST Opposition, the UST argues that the statement in  
10 Province's prepetition Engagement Agreement (as defined in the Application) related to potential  
11 conflicts of interest is inappropriate as conflicting with the disinterestedness standard stated in  
12 Section 327(a). Upon approval of the Application, Province agrees to maintain its disinterestedness  
13 as required by Section 327(a) during the pendency of this Chapter 11 Case and hereby agrees to  
14 strike any provision of the Engagement Agreement that contradict the provisions of Section 327(a).

15           9. In paragraphs 39-43 of the UST Opposition, the UST argues that the indemnification  
16 and liability limitation provisions contained in the Engagement Letter should be stricken.

17           10. During a call with counsel with the United States Trustee, the parties agreed to resolve  
18 their dispute on the issue of indemnification through application of the Blackstone Protocol by  
19 applying a carve out for any indemnification obligations of the Debtor, as stated in Province's  
20 Engagement Agreement, for acts that constitute bad faith, self-dealing, breach of a fiduciary duty,  
21 gross negligence, or willful misconduct, with all other indemnification provisions stated in  
22 Province's Engagement Agreement maintaining their full force and effect.

23           11. In paragraphs 44 through 49 of the UST Opposition, the UST argues that Province's  
24 Arranger Fee and its Restructuring Fee, as stated in the Engagement Agreement, each constitute a  
25 "success fee" that should be denied or awarded at the conclusion of the case and without any pre-  
26 approval of the amount or fee or its calculation methodology.

12. As a financial advisor, Province's role would be to provide financial advisory services to the Debtor and its counsel in relation to the Debtor's financial situation. That role does not typically include the raising of Debtor-in-Possession financing or exit financing.

13. Moreover, Province and other similar financial advisory firms are regularly approved for transaction-based and contingent-based fees in bankruptcy and non-bankruptcy matters, and it is reasonable and justified to do so in this instance in order to induce and incent favorable financing of the case and the Debtor's exit from bankruptcy.

14. Accordingly, as explained in the Application, in addition to Province's Hourly Fees for its financial advisory services, Province's Engagement Agreement calls for the Debtor to pay Province a fee (the "Arranger Fee") in the amount of three percent (3%) of the amount of the funds agreed to be loaned by any "Province Lender" (defined as a lender procured by Province in support of a DIP financing) to the Debtor as DIP financing, as approved pursuant to the Bankruptcy Court's final order granting any such financing, upon the issuance of a final order approving same by the Bankruptcy Court.

15. The Engagement Agreement also calls for the Debtor to pay a fee (the "Restructuring Fee") of three percent (3%) of the value of all debt and equity financing of the Debtor as of the effective date of a confirmed plan of reorganization (excluding any amounts loaned by a "Company Lender" (as defined in the Engagement Letter)) (the "Exit Financing"); provided, however, should all or any portion of such Exit Financing be provided by a Province Lender ("Province Lender Exit Financing"), then for such Province Lender Exit Financing, whether through exit equity or debt financing, the Company shall pay Province a fee in the amount of one and one half percent (1.5%) of such Province Lender Exit Financing, with any other Exit Financing generating a three percent (3%) fee as otherwise indicated above.

16. Such restructuring fees are commonplace and are not considered a "success fee", as they are payment for services in addition to those typically provided by a court-mandated financial advisor – namely to raise debt and/or equity capital in the context of a bankruptcy proceeding – a difficult prospect that Province excels at.

DATED this 14th day of February 2023.

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Paul Huygens

**EXHIBIT 1**

**SUPPLEMENTAL CONNECTIONS DISCLOSURE**

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**EXHIBIT 1**

<b>Party</b>	<b>Connection Role</b>	<b>Client</b>	<b>Province's Role</b>
B. Riley Securities, Inc.	Investment Banker	A.B.C. Carpet Co., Inc.	FA to UCC
Chevron	UCC - Member	TPC Group Inc.	VP of Restructuring; FA to VP of Restructuring
Comp U Link	UCC Member	Reverse Mortgage Investment Trust	FA to UCC
Cox Business	Affiliate - JV Partner	N/A	N/A
Fox Rothschild	Debtor - Counsel	Avadim Health, Inc.	FA to UCC
Fox Rothschild	UCC - Counsel	Fresh & Easy, LLC	FA to UCC
Fox Rothschild	UCC - Counsel	IPC General Liability Trust	Liability Fund Trust
Fox Rothschild	UCC - Counsel	J&M Sales, Inc. (Fallas)	FA to UCC
Fox Rothschild	UCC - Counsel	L'Occitane, Inc.	FA to UCC
Securitas Security Services USA Inc	UCC - Member	Neopharma, Inc.	FA to UCC
Sheppard Mullin Richter & Hampton LLP	Debtor - Counsel	American Blue Ribbon	FA to UCC
Sheppard Mullin Richter & Hampton LLP	Debtor - Counsel	Fresh & Easy, LLC	FA to UCC
Sheppard Mullin Richter & Hampton LLP	Invoice Client	Miura Holdings Asia, LLC	Consulting
Sheppard Mullin Richter & Hampton LLP	UCC - Counsel	XS Ranch Fund VI, L.P.	FA to UCC
Sheppard Mullin Richter & Hampton LLP	UCC Counsel	Mariner Health Central, Inc.	FA to UCC
Uline	UCC Member	VER Technologies Holdco LLC	FA to UCC